

Policy – Asset Relocations

Purpose	This policy establishes Ausgrid's approach to proponent requests to relocate or otherwise impact its network assets.
Applies to	Requests by proponents to relocate Ausgrid assets for the convenience of the proponent, including requests for: • physical relocations of assets; • changes to <i>assets</i>, such as converting bare wire overhead to aerial bundled conductor for aesthetic reasons; and • Ausgrid to allow works near the distribution system that could limit the Ausgrid's ability to fully utilise its assets. For example, raising the ground level under an overhead line that might prejudice clearances; or changing the cover over an underground cable that might affect ratings or reduce protection from damage. Relocations that are essential for the provision of a customer connection are considered to be connection services and are covered under Ausgrid's Connection Policy. Where a relocation request can be clearly separated from associated connection works or is unrelated to a customer connection it is considered under this policy.
Approval and Rule compliance	This is an Ausgrid policy and does not need to be approved by the Australian Energy Regulator (AER). It is developed to be consistent with the requirements of the National Electricity Rules and other regulatory requirements, and in keeping with the AER determined service classifications for Ausgrid in the current regulatory determination.
Key Principles and Requirements	Ausgrid considers requests from proponents to relocate or otherwise impact its assets based on an assessment of risk and feasibility. While Ausgrid will endeavour to accommodate relocation requests, it is at Ausgrid's discretion whether or not to agree to a relocation request. The safe and reliable operation of the network is a key obligation under Ausgrid's licence to operate as a Distribution Network Service Provider; consequently, any asset relocation proposal that conflicts with these obligations will be refused. Ausgrid is a regulated business and there is no scope for it to subsidise or contribute financially to projects where the benefits accrue solely to the proponent of the relocation works. All costs associated with accommodating the request are at the proponent's cost. This includes assessment, design, option development and construction, as well as ensuring Ausgrid retains the value of its existing assets as provided in Section 2 of this policy. Where Ausgrid agrees to a request to relocate network assets, the relocation works are delivered according to Sections 1 and 3 of this policy

1 General Requirements

- 1.1 Requests to relocate assets** Proponents seeking to relocate Ausgrid assets are required to submit an application via the Ausgrid website. If agreed then Ausgrid will enter an agreement with the proponent for these relocation works using either an Asset Relocation pro forma contract, or other suitable agreement endorsed according to Ausgrid's delegation policy.
- 1.2 Asset Ownership** Ausgrid assets that are decommissioned as part of the asset relocation remain the property of Ausgrid and must be:
- returned to Ausgrid at a time and place agreeable to Ausgrid; or
 - where Ausgrid decides that the distribution system asset is no longer required, disposed of at the proponent's cost and in accordance with the requirements of Ausgrid's lease agreement.
- Distribution system assets constructed as a contestable service must be gifted to Ausgrid as a contributed asset and form part of Ausgrid's network when they are energised.
- 1.3 Third party consultation and coordination** The proponent is responsible for consulting with all parties affected by the relocation to obtain their written agreement and notifying Ausgrid when this has been done.
- It is the responsibility of the proponent to make suitable arrangements (including funding) with individual customers to organise alterations to their individual service connections if they are affected by the proposal.
- Where third party asset are attached to Ausgrid assets (e.g. public lighting, telecommunications, signs, traffic lights), the proponent is responsible for arranging relocation of these assets, including any funding. i.e. there is to be no cost to Ausgrid.
- In particular, If a telecommunications company's cables are present on Ausgrid's poles, legal and safety requirements make it essential that these cables are removed before overhead lines and poles are removed. Ausgrid has no specific authority to force telecommunications companies to agree to the removal of their cables. The proponent will need to negotiate with the relevant telecommunications company to gain their approval to remove their existing overhead construction and provide written confirmation of this approval to Ausgrid.
- 1.4 Third party dispute resolution** Where a dispute arises with a third party, the proponent is responsible for resolving the dispute. Ausgrid will charge the cost of any time spent resolving the dispute to the proponent as part of its facilitation costs.
- 1.5 Meeting other network objectives** Ausgrid may decide to expand the scope of proposed relocation works to meet other network objectives. In such cases, Ausgrid will fund the incremental cost of the increased scope, unless the customer has agreed to fund this incremental cost as part of negotiations for the relocation project (e.g. to compensate for a reduction in asset value under section 1).

2 Retaining asset value and function

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- 2.1 Principle** Any relocation works must ensure that Ausgrid retains all existing and potential future value available from its existing assets. Alternatives to direct relocation that deliver additional benefit to Ausgrid customers and reduced costs to proponents are encouraged.
- Exceptions to this requirement are possible and are covered in section 2.7.
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- 2.2 Ratings** Ratings of relocated sections of network are to be equal or better than the design rating for the original section of network, or the achieved installed throughput rating, whichever is the greater.
- Where the network is comprised of sections of network with different ratings, and especially where a short section of a line or cable constrains the overall rating, the required rating for the relocated sections of the network will be based on the section of the original network with the predominant rating.
- The relocated network will be installed with adequate clearances from other existing network infrastructure to ensure the ratings of that infrastructure are maintained.
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- 2.3 No impact on network customers** There will be no adverse impacts on adjacent customers (those customers who are not a party to the proposal) as a result of changes to supply arrangements.
- Network connectivity and operability are to be maintained (e.g. interconnection and switchable points to facilitate configuration changes and parallel operation; provision for service connections etc.) This is particularly relevant when overhead lines are converted to underground.
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- 2.4 Network development** The relocation works will not affect the cost and feasibility of options for likely future network development. This includes access to future routes or substation sites that would be impacted as a result of the relocation.
- For example, the ability to install future cable in ducts or equivalent rights to install future cables by other means is to be preserved.
- Similarly, the proximity of assets to load centres is to be maintained.
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- 2.5 Operational costs** There is to be no material increase to network losses, maintenance costs or other operational expenses resulting from the relocation.
- Access provisions to enable operation, maintenance, replacement and future development of assets are to be maintained. This includes access and easement rights over the relocated assets.
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- 2.6 Secondary systems** The functionality of secondary systems, such as protection systems, optic fibre and pilot cable network is to be maintained.
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- 2.7 Exceptions** Where the proponent can demonstrate that to retain all existing and potential future asset value would be technically impossible or disproportionately expensive, Ausgrid may enter negotiations to consider alternative options with

the proponent.

In determining whether to accept an alternative option, Ausgrid will consider the costs, risks and benefits, and only agree to a proposed alternative where, on balance, the alternative is in Ausgrid and its customers' best interests compared to leaving the assets in place and unchanged.

In making this assessment, Ausgrid considers the system outcome that will be achieved by the alternative option compared to the future forecast load and network performance requirements. If Ausgrid determines that there is no expected future use for the assets, an acceptable alternative to relocation is to remove and dispose of the assets appropriately (at the proponents cost).

Recommendations to approve an alternative option where asset value is not retained are submitted to the Head of Asset Investment for endorsement, and are approved in accordance with Ausgrid's delegation policy.

3 Contestable vs Ausgrid works

3.1 Contestable framework

A framework for contestability exists to enable competitive provision of connection services pursuant to Division 4 of Part 3 of the Electricity Supply Act 1995. This framework includes the:

- ASP accreditation and authorisation schemes;
- contestability management processes within Ausgrid; and
- Australian Energy Regulator (AER) regulated prices for ancillary network services that Ausgrid provides to facilitate delivery of contestable works.

Except where section 3.2 applies, proponents contract directly with an appropriately authorised and accredited third party provider of their choice to deliver relocation works within this contestability framework.

3.2 Work not available to third party providers

Work classified as ancillary network services by the AER may only be provided by Ausgrid.

For example, work that could impact the safety and security of the network can only be carried out by Ausgrid. This work is identified based on a risk assessment based on Ausgrid's risk management principles.

3.3 Charging for Ausgrid works

Relocation works provided by Ausgrid are charged at the applicable ancillary service rate. For quoted services, the charges are determined as follows:

- labour is charged at the applicable hourly rate; and
- material costs, contractor services and other direct costs incurred as part of providing the service (e.g. permits for road closure) are charged at cost.

Where Ausgrid is required to perform work outside of normal business hours then Ausgrid will charge its allowed out of hours overtime rate for the service.

3.4 Priority of relocation works

Where Ausgrid will carry out the relocation works, priority is given to network planning, augmentation and maintenance activities to maintain system reliability. Ausgrid will endeavour to provide a realistic assessment of its capability to undertake relocation projects and whether it is feasible to meet the proponent's timeline.

4 Dictionary

AER	The Australian Energy Regulator
ancillary services	Services provided to the proponent by Ausgrid on an as needed basis that involve work on, or in relation to parts of the distribution system, and for which ancillary service fees are payable.
authorisation	The consent Ausgrid gives to an ASP to work on or near the distribution system.
ASP	An Accredited Service Provider, accredited under the Electricity Supply Act 1995 (NSW).
ASP Accreditation Scheme	The Accredited Service Provider Scheme administered in accordance with the Electricity Supply Act 1995 (NSW).
asset relocation	Relocation of Ausgrid network assets, including physical relocations; changes to assets for the convenience of the proponent; and including works near Ausgrid assets that could limit the Ausgrid's ability to fully utilise its assets.
assets	Electrical network distribution assets owned by Ausgrid, including directly associated non-electrical infrastructure (e.g. substation buildings, access tracks, fixtures)
Ausgrid	Network assets are owned by the Network Owner (Alpha Distribution Ministerial Holding Corporation ABN 607 505 337 385), leased to the Network Lessee (Ausgrid Asset Partnership (ABN 48 622 605 040) and operated and maintained by Ausgrid (Ausgrid Operator Partnership (ABN 78 508 211 731),) under a sub-lease arrangement. Where this document refers to assets owned by Ausgrid, it means assets owned by the Network Owner. Otherwise Ausgrid means the Ausgrid Operator Partnership.
contestable service	A service that Ausgrid determines must be provided by an ASP
customer	A person to who is connected to Ausgrid's distribution system.
distribution system	Ausgrid's distribution network, including relocated assets.
network	The apparatus, equipment, plant and buildings used to convey, and control the conveyance of, electricity to customers (whether wholesale or retail) excluding any connection assets. This includes public lighting assets owned by Ausgrid.
proponent	The person for whom the asset relocation is being carried out.
rating	The technical limit (e.g. voltage, capacity, fault level) of a network element, or system of elements, determined in accordance with Ausgrid's Network Standards.
relocation works	All work required for, or associated with an asset relocation, including Ausgrid work to process and assess a request for asset relocation. Works are considered to be relocation works and subject to this policy even if the relocation does not proceed.
review date	The review date displayed in the footer of the document is the future date for review of a document which is one year for documents requiring annual review, two years for fraud control documents or the default period of three years from the date of approval. A review may be mandated at any time where a need is identified due to changes in legislation, organisational changes, restructures, occurrence of an incident or changes in technology or work practice.
third party provider	Any third party engaged by the proponent to provide relocation works. For work on or near the distribution system, including design of the distribution system, the customer must engage a suitably qualified ASP that is authorised to work on or near Ausgrid's network.
work on or near the distribution system	Work on any part of the distribution system where there is a reasonable possibility that: (a) a part of a person's body, or (b) any moveable object (not designed for safe use on live conductors of the same or higher voltage) that the person might be wearing, touching, or carrying, may come closer to a live exposed conductor than the minimum safe working distance stipulated in Ausgrid's Electrical Safety Rules.

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